SUTHERLAND ASBILL & BRENNAN LLP
JOHN L. NORTH (Admitted Pro Hac Vice)
JEFFREY J. TONEY (Admitted Pro Hac Vice)
WILLIAM F. LONG (Admitted Pro Hac Vice)
JACKIE L. TONEY (Admitted Pro Hac Vice)
LESLIE K. SLAVICH (Admitted Pro Hac Vice)
999 Peachtree Street, NE
Atlanta, Georgia 30309-3996
Telephone: (404) 853-8000
Facsimile: (404) 853-8806
Email: John.North@sablaw.com
Jeffrey.Toney@sablaw.com
Bill.Long@sablaw.com
Jackie.Toney@sablaw.com
Leslie.Thomasson@sablaw.com

GOODWIN PROCTER LLP
FORREST A. HAINLINE III (Bar No. 64166)
SUSANNE N. GERAGHTY (Bar No. 218098)
Three Embarcadero Center, 24th Floor
San Francisco, CA 94111
Telephone: (415) 733-6000
Facsimile: (415) 677-9041
Email: fhainline@goodwinprocter.com
sgeraghty@goodwinprocter.com

Attorneys for Defendants
IVAX, CORPORATION and
IVAX PHARMACEUTICALS, INC.

PUBLIC VERSION

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

DEPOMED, INC., a California corporation,

Plaintiff,

v.

IVAX CORPORATION, a Florida corporation, and IVAX PHARMACEUTICALS, INC., a Florida corporation,

Defendants.

NO. C 06-00100 CRB

DEFENDANTS' ALTERNATIVE MOTION TO REOPEN DISCOVERY AND POSTPONE THE TRIAL, OR PRECLUDE EVIDENCE OF DAMAGES BEFORE DECEMBER 15, 2005

Judge: Hon. Charles R. Breyer
Date: February 29, 2008
Time: 10:00 a.m.
Place: Courtroom 8, 19th Floor

TABLE OF CONTENTS

TABLE OF AUTHORITIES

FEDERAL CASES

FEDERAL STATUTES

This memorandum supports Ivax's motion alternatively to (a) preclude Depomed from introducing evidence of damages before December 15, 2005 and strike Depomed's amended discovery responses, or (b) reopen discovery and necessarily postpone the trial.[1]

I. BACKGROUND AND SUMMARY

REDACTED

[1] "Ivax" refers collectively to defendants Ivax Corporation and Ivax Pharmaceuticals, Inc. "Depomed" is plaintiff Depomed, Inc.

[2] The factual statements in this memorandum are supported by the Declaration of Forrest A. Hainline III, filed herewith. The "Tab" references are to exhibits to the Hainline Declaration.

REDACTED

REDACTED

REDACTED

A. The Patent Marking Statute

The Marking Statute, 35 U.S.C. § 287(a), requires patentees to give proper notice of any patents covering their product(s). This is to ensure that a possible infringer knows of the patent and that its conduct is or would be considered infringement of the patent by the patentee. *See Gart v. Logitech, Inc., 254 F.3d 1334, 1345* (Fed. Cir. 2001). The Marking Statute states:

> Patentees, and persons making, offering for sale, or selling within the United States any patented article for or under them or importing any patented article into the United States, may give notice to the public that the same is patented, either by fixing thereon the word "patent" or the abbreviation "pat.", together with the number of the patent, or when, from the character of the article, this can not be done, by fixing to it, or to the package wherein one or more of them is contained, a label containing a like notice. In the event of failure so to mark, no damages shall be recovered by the patentee in any action for infringement, except on proof that the infringer was notified of the infringement and continued to infringe thereafter, in which event damages may be recovered only for infringement occurring after such notice. Filing of an action for infringement shall constitute such notice.

35 U.S.C. § 287(a) (emphasis added). Thus, the statute provides a patentee with only two ways to provide proper notice. First, a patentee that sells a product covered by its patent (or has a product sold by a licensee under its patent) can mark that product or its packaging with the patent number. This constitutes constructive notice which satisfies § 287(a). Alternatively, the patentee can comply with § 287(a) by giving actual notice of patent infringement to the alleged infringer.

A patentee's failure to properly mark the patented product precludes the recovery of damages arising from any infringement prior to the time when the patentee gives actual notice of infringement to the accused infringer. *See* 35 U.S.C. § 287(a); *Amsted Indus. v. Buckeye Steel Casings Co.*, 24 F.3d 178, 187 (Fed. Cir. 1994). "For purposes of section 287(a), notice must be of 'the infringement,' not merely notice of the patent's existence or ownership. Actual notice requires the affirmative communication of a specific charge of infringement by a specific accused product or device." *Id.* "It is irrelevant . . . whether the defendant knew of the patent or knew of his own infringement. The correct approach to determining notice under section 287 must focus on the action of the patentee, not the knowledge or understanding of the infringer." *Id.*

Although actual notice may be achieved without creating a case of actual controversy under 28 U.S.C. § 2201, *SRI Int'l, Inc. v. Advanced Tech. Labs., Inc.*, 127 F.3d 1462, 1470 (Fed. Cir. 1997), when letters are calculated "not to be threats sufficient to justify a declaratory judgment action, they also are not charges of infringement for 'notice' purposes." *Amsted Indus.*, 24 F.3d at 187.

Whether, as a matter of law, oral notice can satisfy the Marking Statute has not been decided by the Federal Circuit. The Southern District of California recently commented that it is an open question. *See Lucent Techs. Inc. v. Gateway, Inc.*, 470 F. Supp. 2d 1180, 1185 n.3 (S.D. Cal. 2007) ("As for whether as a matter of law oral notice is sufficient to satisfy 35 U.S.C. § 287(a), remains an unanswered question.").

REDACTED

REDACTED

Dated: February 25, 2008

Respectfully submitted,

SUTHERLAND ASBILL & BRENNAN LLP
JOHN L. NORTH (Admitted Pro Hac Vice)
JEFFREY J. TONEY (Admitted Pro Hac Vice)
WILLIAM F. LONG (Admitted Pro Hac Vice)
JACKIE L. TONEY (Admitted Pro Hac Vice)
LESLIE K. SLAVICH (Admitted Pro Hac Vice)
999 Peachtree Street, NE
Atlanta, Georgia 30309-3996
Telephone: (404) 853-8000
Facsimile: (404) 853-8806
Email: John.North@sablaw.com
Jeffrey.Toney@sablaw.com
Bill.Long@sablaw.com
Jackie.Toney@sablaw.com
Leslie.Thomasson@sablaw.com

GOODWIN PROCTER LLP
FORREST A. HAINLINE III (Bar No. 64166)
SUSANNE N. GERAGHTY (Bar No. 218098)
Three Embarcadero Center, 24th Floor
San Francisco, CA 94111
Telephone: (415) 733-6000
Facsimile: (415) 677-9041
Email: fhainline@goodwinprocter.com

Attorneys for Defendants
IVAX, CORPORATION and
IVAX PHARMACEUTICALS, INC.

By: /s/ Forrest A. Hainline